

AMENDED IN SENATE JULY 17, 2007

AMENDED IN SENATE JULY 5, 2007

AMENDED IN ASSEMBLY APRIL 18, 2007

AMENDED IN ASSEMBLY APRIL 11, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1324

Introduced by Assembly Member De La Torre
(Coauthor: Senator Cedillo)

February 23, 2007

An act to amend Section 1371.8 of the Health and Safety Code, and to amend Section 796.04 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1324, as amended, De La Torre. Health care coverage: treatment authorization.

Existing law provides for regulation of health care service plans by the Director of the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Insurance Commissioner.

Existing law provides that a health care service plan or a health insurer that authorizes a specific type of treatment by a health care provider shall not rescind or modify this authorization after the provider renders the health care service in good faith and pursuant to the authorization.

This bill would additionally specify that a health care service plan or a health insurer is precluded from rescinding or modifying its authorization for any reason, including its subsequent rescission,

cancellation, or modification of the contract or its subsequent determination that it did not make an accurate eligibility determination ~~for the treatment~~. The bill would also state that these provisions are declaratory of existing law and that it is not the intent that they affect pending litigation, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1371.8 of the Health and Safety Code is
2 amended to read:

3 1371.8. A health care service plan that authorizes a specific
4 type of treatment by a provider shall not rescind or modify this
5 authorization after the provider renders the health care service in
6 good faith and pursuant to the authorization for any reason,
7 including, but not limited to, the plan's subsequent rescission,
8 cancellation, or modification of the enrollee's or subscriber's
9 contract or the plan's subsequent determination that it did not make
10 an accurate determination of the enrollee's or subscriber's
11 eligibility ~~for the treatment~~. This section shall not be construed to
12 expand or alter the benefits available to the enrollee or subscriber
13 under a plan. The Legislature finds and declares that the
14 amendments made to this section by the act amending the section
15 in the first year of the 2007–08 Regular Session of the Legislature
16 do not constitute a change in, but are declaratory of, existing law,
17 and it is not the intent for these amendments to affect litigation
18 pending at the time of the act's effective date.

19 SEC. 2. Section 796.04 of the Insurance Code is amended to
20 read:

21 796.04. A health insurer that provides coverage for hospital,
22 medical, or surgical expenses that authorizes a specific type of
23 treatment for services covered under a policyholder's contract or
24 plan by a provider shall not rescind or modify this authorization
25 after the provider renders the health care service in good faith and
26 pursuant to the authorization for any reason, including, but not
27 limited to, the insurer's subsequent rescission, cancellation, or
28 modification of the insured's or policyholder's contract or the
29 insurer's subsequent determination that it did not make an accurate
30 determination of the insured's eligibility ~~for the treatment~~. This

1 section shall not be construed to expand or alter the benefits
2 available or the terms and conditions of the contract as may be
3 agreed upon between a policyholder, certificate holder, or trust,
4 and the insurer. The Legislature finds and declares that the
5 amendments made to this section by the act amending the section
6 in the first year of the 2007–08 Regular Session of the Legislature
7 do not constitute a change in, but are declaratory of, existing law,
8 and it is not the intent for these amendments to affect litigation
9 pending at the time of the act’s effective date.

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